

It's *Your* Benefit

Health insurance and other benefit programs for state and local employees and retirees



Managing Prescription Drug Benefit Important Part of Controlling Health Insurance Costs

The cost of prescription drugs has become the fastest growing component of health care spending in the United States and is expected to remain so for the next ten years. On behalf of all 230,000 members of the group health insurance program, the State of Wisconsin has been spending more than \$150 million per year on prescription drugs.

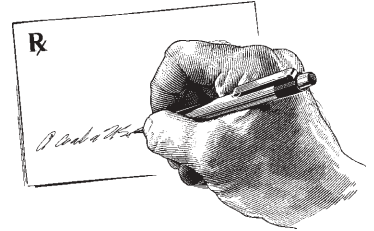
Last year, the Group Insurance Board authorized the Department of Employee Trust Funds to contract with a single pharmacy benefit manager (PBM) to provide pharmacy benefit services to all program participants. Prior to 2004, pharmacy coverage was a part of each individual health plan offered by the State, which led to unequal administration and cost differences.

A number of members have asked for more information about Navitus and why we chose them. In seeking a pharmacy benefit manager, the Board looked for one that would **first** consider therapeutic quality, safety, and effectiveness and **then** cost

in deciding which drugs would comprise its formulary (list of preferred prescription drugs established to be clinically sound and cost effective). After a national search involving 13 national and regional prospects, the Board selected Navitus Health Solutions.

Navitus is a Wisconsin company that uses Wisconsin doctors and pharmacists to develop and maintain the formulary and make quality improvement decisions. The Department of Employee Trust Funds (ETF), along with these doctors and pharmacists, share a goal of providing high quality prescription drug coverage at a reasonable cost to members.

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Commonly Asked Questions and Answers About the Pharmacy Benefit Manager

How does switching to one Pharmacy Benefit Manager (PBM) help participants in the health insurance program? There are two major advantages. Because one PBM administers the benefit for all participants, everyone receives the same benefits and formulary. In the past, medications were covered under the individual health plans. When members switched plans, they may have had problems with their medication coverage because health plans had different formularies. This won't happen any more.

Another advantage: We now have a larger purchasing pool for prescription drugs that allows our PBM to negotiate better rebates and discounts and pass the savings back to the purchaser.

This should help hold down future rate increases. In addition, our PBM can offer programs like tablet splitting, generic sampling and a mail order service to give more cost-saving options to our members.

Why aren't Level 3 copayments applied toward the annual prescription drug out-of-pocket maximum? For the large majority of people, Level 1 and Level 2 drugs are as safe and therapeutic as any of the Level 3 drugs, and they cost less. That is why we want to steer people to their usage but still give them the choice, if they want to pay the higher cost. If the Level 3 copayments were applied to the out-of-pocket

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Medicare Legislation Prompts Questions

We've heard from many participants asking how the Medicare law signed last November by President Bush affects the state's group health insurance program, particularly Medicare-eligible members.

The Medicare Prescription Drug Improvement and Modernization Act of 2003 contains a very complex set of laws and it will take the Department additional time to evaluate the full impact on our members. In fact, the federal Department of Health and Human Services has not yet written administrative rules governing how health insurance programs like ours may

proceed. It is unlikely that any decisions on the *prescription drug portion* of the legislation will be finalized before mid-2005.

The Department will continue to monitor developments with the new law. When specific details on how this will affect the state's group health insurance program are known, we'll pass that information on to all members. In the meantime, more information on the federal government's program is available on the Internet at www.medicare.gov.

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The Board was concerned about potential conflicts of interest and structured the program to make sure that the selected PBM works for the best interest of our health insurance program and its members. Some PBMs make money by keeping a portion of any rebates or discounts. This arrangement can create an incentive for the PBM to make drug choices based on the size of the rebate rather than on the effectiveness of the drug. However, Navitus has paid a flat administrative fee for its work. Our contract requires that Navitus not only choose formulary drugs that are safe and effective but also pass back to the Trust Fund all savings from negotiated rebates and discounts. In this way, the interests of the PBM and our plan are aligned.

Members covered under the group health insurance program have also wanted more information on the adoption of a three-level copayment structure for drug benefits, specifically the third-level copayment of \$35. This was adopted by the Board for several reasons:

- It allowed the Board to lower the cost of the Level 2 copayment from \$17.25 to \$15.00.
- It expands members' prescription drug choices. In the

past, drugs now available to members at a Level 3 copayment might not have been covered by some health plans.

- It provides an incentive for members to consider purchasing more cost-effective drugs that are equal to or more effective than a higher cost drug while providing high quality care.

The Department understands the concerns some have expressed about the switch to the new three-level structure, especially those whose drugs went from a lower copayment amount to Level 3 copayment. The good news is that the majority of these members have been able to shift to a formulary drug without any difficulty or are "grandfathered" in at the Level 2 copayment. In fact, as of last February, 51% were at a Level 1 copayment, 43% were at Level 2, and 6% were at Level 3.

These and other recent changes to the health insurance program, which are virtually unique in the industry today, should help ETF keep future premium rate increases as low as possible, while maintaining the high standard of benefits we have come to appreciate. In the end, we believe this is in everyone's best interest.

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maximum, this incentive and the value of the three-level copayment system would be greatly reduced.

Did my health plan share my personal medical information with Navitus? No. However, as a service to our members to help make the transition from a Level 3 drug to an alternative with a lower copayment, Navitus needed to determine which prescriptions were taken by our members from the various health plans. We felt that it was important to use this information to send letters to members who had used drugs that were now classified as Level 3, to make the transition easier. Only certain staff who needed access and who are bound by confidentiality agreements

were able to work with this information. If you filed a grievance or requested copayment reduction from Navitus, you would have worked with your doctor to provide medical information to Navitus. In this case, that information came from your doctor with your consent.

How can the mail order vendor charge only two copayment amounts for a 90-day supply of a prescription drug? On average, the amount of money we save on prescriptions filled through mail order is approximately worth one copayment. We felt it was important to pass those savings directly back to the members who use mail order.

Take Care of Business Before Leaving Town on Vacation

Hitting the open road this summer? Before you go, remember to do the following:

- Know your health plan's requirements on what you'll need to do if you need urgent or emergency medical care. Have the appropriate phone number(s) along with you. Remember: Follow up care is normally required from providers in your health plan's network.
- If you know that you'll need medical care while you're away, contact your health plan prior to your departure to discuss your needs with them. Don't assume that care will be authorized. Follow up with your plan until you understand what steps you'll need to take before you go, and while you're away.

- Pack your prescriptions in their original packaging in your carry on luggage to avoid possible problems with airport security. Keep in mind that our policy does not pay for lost, stolen, or forgotten medications.

- Plan ahead for a prescription refill that you may need while you're away. Contact Navitus Health Solutions before you leave about getting it filled before you go or, while you're on vacation, from a nationwide pharmacy chain. Dial toll free 1-866-333-2757.

- Have a happy and safe vacation!



State Hospitals Report Safety, Quality Information

The Wisconsin Hospital Association (WHA) has developed a new Internet site for consumers

and employers to review and compare health care quality and safety information voluntarily reported by Wisconsin hospitals. The site, found at <http://www.wicheckpoint.org>, provides data on five error prevention goals and ten key clinical interventions that medical experts agree should be conducted to treat heart attacks, heart failure and pneumonia

— the three most common causes of hospitalization in Wisconsin. So far, 96% of the hospitals in the state have voluntarily reported to the service, which WHA will refresh on a quarterly basis.

An independent, multi-disciplinary body composed of insurers, employers, and health care providers called the Wisconsin Quality Initiative Steering Committee guided the development of CheckPoint. Department of Employee Trust Funds Secretary Eric Stanchfield is a member of the Committee. To find out more about Checkpoint, the hospital reports, and what quality in health care means to you and your family, visit the site today.

Has Your Health Insurance Information Changed?

Have you recently changed addresses, gotten married or divorced, or changed primary care physicians? If so, these and several other "life" events warrant filling out a new *Health Insurance Information Change* form (ET-2329). These include changing your name, address, or phone number; adding

or deleting a dependent; getting married or divorced; changing your primary care physician. **Special note:** Transactions such as changing health plans or changing from single to family coverage require a separate *health application* form (ET-2301). Obtain both forms from your payroll and benefits office.

Participants Should Regularly Check the Navitus formulary

Go to <http://www.Navitus.com> for periodic updates to the prescription drug formulary. New and existing drugs are continually reviewed to keep the formulary up to date and ensure patient needs are being met.



May is National Stroke Awareness Month

Did you know that stroke is the third leading cause of death in the United States and a leading cause of adult disability? Yet, up to 80% of all strokes may be preventable.

You can take charge of your health by asking your doctor whether you are at risk for stroke. Visit the National Stroke Association's Internet site at

www.stroke.org. Click on the ***Am I at Risk for Stroke?*** button in the upper left corner to learn about risk factors, treatments, types of strokes, and stroke prevention strategies through medical management, surgical intervention, and lifestyle management.

STROKE WARNING SIGNS

*When you see these symptoms,
call 911 immediately!*

- Sudden weakness or numbness of the face, arm or leg, especially on one side of the body
- Sudden confusion, trouble speaking or understanding
- Sudden trouble seeing in one or both eyes
- Sudden trouble walking, dizziness, loss of balance or coordination
- Sudden severe and unusual headache

Get Your Free Personal Heart Care Record Card

Taking control of your heart's health can help you feel better and stay healthy. To that end, the Wisconsin Cardiovascular Health Program is offering a free personal heart care record card. The card can be used as a tool to help you keep track of some personal health information, immunizations, medications, and such "numbers" as weight, blood pressure, the results of lab tests (cholesterol, triglycerides,

blood glucose, etc.), and more. There is also space on the card to write down your goals for exercise, weight, blood pressure, and smoking cessation. Show this card, which folds to fit in your wallet, to your health care provider the next time you visit.

To obtain a card, call the Wisconsin Cardiovascular Health Program, a project of the Wisconsin Department of Health and Family Services, Division of Public Health, at (608) 266-3483.

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